

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MARYLAND
(Baltimore Division)**

In re:

**FRANK'S NURSERY & CRAFTS, INC., et
al.,**

Debtors.

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Case Nos. 01-52415-JS through
01-52416-JS
(Chapter 11)
(Jointly Administered)

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**ORDER PURSUANT TO 11 U.S.C. §§ 105(a), 345, AND 363 AUTHORIZING THE
DEBTORS TO (1) MAINTAIN THEIR EXISTING CASH MANAGEMENT SYSTEM;
(2) MAINTAIN THEIR BANK ACCOUNTS AND
CONTINUE TO USE EXISTING BUSINESS FORMS; AND
(3) CONTINUE PREPETITION CASH INVESTMENT PRACTICES**

Upon the motion (the "Motion") of the above-captioned debtors and debtors-in-possession (collectively, the "Debtors"), for entry of an order pursuant to 11 U.S.C. §§ 105(a), 345, and 363 authorizing the Debtors to (1) maintain their existing cash management system; (2) maintain their bank accounts and continue to use existing business forms; and (3) continue prepetition cash investment practices; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; and the Court having determined that the relief sought in the Motion is in the best interests of the Debtors, their creditors and all parties in interest; and after due deliberation, sufficient cause appearing therefor; it is on this th20 day of February, 2001 hereby,

ORDERED, that the Motion is GRANTED; and it is further

ORDERED, that all capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Motion; and it is further

ORDERED, that the Debtors are authorized to continue their customary intercompany accounting and cash management procedures in the ordinary course; provided

ENTERED

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DISTRICT OF MARYLAND
BALTIMORE

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however: (1) the Debtors' accounting records shall reflect a clear demarcation between prepetition and postpetition financial transactions; (2) each Debtor shall file separate monthly operating reports with the Court and the United States Trustee; (3) each Debtor shall pay quarterly fees pursuant to 28 U.S.C. § 1930; and (4) the Debtors shall maintain records of all such accounting procedures in a manner such that all such procedures can be readily monitored and ascertained; and it is further

ORDERED, that the Debtors are authorized and empowered to: (a) designate, maintain and continue to use any and all Bank Accounts with the same account numbers, including, without limitation, the accounts identified in **Exhibits B** and **C** annexed to the Motion; and (b) treat the Bank Accounts for all purposes as accounts of the Debtors as debtors in possession; provided, however, that the Debtors shall request that the banks retitle and designate all of the Debtors' accounts as Debtor-in-Possession accounts; and it is further

ORDERED, that all banks at which the Bank Accounts are maintained are authorized and directed to continue to service and administer the Bank Accounts as accounts of the Debtors as debtors in possession; and it is further

ORDERED, that all banks maintaining the Payroll Accounts identified on **Exhibit C** are authorized and directed to receive, process, honor and pay all checks and drafts drawn on such Payroll Accounts, whether presented, drawn or issued before or after the Petition Date by the holders or makers thereof, as the case maybe; provided however, that sufficient funds, whether deposited prior or subsequent to the Petition Date, are in, or otherwise available to fund, such account to cover and permit payment thereof; and it is further

ORDERED, that all banks with notice of this Order at which the Non-Payroll Accounts are maintained, including but not limited to such Non-Payroll Accounts identified on **Exhibit B** annexed to the Motion, are prohibited and enjoined from honoring or paying any and all checks and drafts drawn on the Bank Accounts drawn or issued prior to the Petition Date; and it is further

ORDERED, that the Debtors shall serve a copy of this Order on all banks whose Bank Accounts are listed on **Exhibits B** and **C** to the Motion within three (3) business days of the date of entry of this Order; and it is further

ORDERED, that the Debtors are authorized to continue to use their existing business forms without alteration or change; and it is further

ORDERED, that the Debtors are authorized to continue the Investments; and it is further

ORDERED, that the Debtors are authorized to continue the L/C Practice in the ordinary course of their businesses and consistent with the Debtors' past business practices; and it is further

ORDERED, that this order shall be without prejudice to: (a) the rights of the Debtors or any party in interest, including without limitation, the United States Trustee, to apply to the Court for authority to further modify the terms hereof on appropriate notice and motion; and (b) any issue pertaining to the substantive consolidation of the estates herein; and it is further

ORDERED, that notwithstanding anything contained in the decretal paragraphs of this order to the contrary, to the extent this order is inconsistent with any term or provision of

any court approved debtor in possession financing or any future order authorizing the use of cash collateral, such other documents or order shall govern and control in all respects.


United States Bankruptcy Judge

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